Preserve

App. F. IX-4

1926.

File No. 95-26

Previous References (LB)

LB 121. 25. 18 1-4

Serial Nos. 1-2

Later References

General and Revenue Secretariat.

Serial Nos.

Part B for Febry

SUBJECT

Details of Education & Railway Cesses in the Dist. Bd Annual Budgets

2 To, The President, Dist. Bd. Mysore
No. L 5617/L 11.2.27.

Issues instruction in the matter

LB 16/4/27

1852

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat — LB — File No. 95 — of 192 6

Serial No.	
1	From the President Dr. Board Mysore W. C. 778 dt. 27.10.26 With reference to the Govt order dated 18.9.1926, requests for certain instructions in the matter of showing details of Education and Railway cesses in the District Board annual Budgets.
	Submd for orders. This may be sent to the financial Secretary for favor of opinion on the points raised in para 4 of the D.B. letter.
	15/11/26
	25/11
	D.R. offices and Committee 1/12/26.
	The forms of accounts were ordered in accordance with the financial opinion. The Secretariat may therefore be consulted as to the points raised.
	1/12
	2/12
	2/12

Ag 1607/26

Bring up
2/12
2/12/26

2458

WD 01229—GPB—37,500—1-9-26

App. F. III—2]

General and Revenue Secretariat | File No. | of 192

Serial No.

1607-26

I am afraid there has been a little confusion which has resulted in the District Board sending up the present letter. The order of 18th September 1926 issued instructions in the matter of the District Board showing the details of Education and Railway Cesses in their annual budgets. These are more or less the appendices to their budgets and the only point is that the figures included here should agree with the figures in their annual budgets. So to say, these are merely pro-forma accounts. The orders issued in the communication of Government dated 9th October 1926 prescribes how in particular, the railway cess accounts of the Mysore District Board should be made up and this has nothing to do with the general orders of 16.9.26 With regard to the point raised about Sinking Funds, the creation of a Sinking Fund Contribution in the Mysore District Board is a feature which may not exist in other District Boards because the Mysore District Board have floated a loan for its railway purposes wherein a sinking fund contribution has to be made The ~~formation or otherwise of a~~ Sinking Fund contribution must come from ~~would affect~~ the revenue budget only of a District Board and therefore it does not find a place under the Railway Cess Accounts prescribed under Government Order of 18th September 1926

B
8/12

FINANCIAL SECRETARY
9 DEC. 1926
No. 1697

9688

Discussed with Mr. Smith in

P.T.O.

NOTE—Contn. Sheet

WD 01229—GPB—37,500—1-9-26

Serial No.

The annexure to fo of 18th Septr 26 gives a standard form for exhibiting both the capital and Revenue accounts of the Ry transactions of the Dt Boards.

Appendix E.E referred to by the Dt Bd President refers only to the Revenue acct and there is no material difference between this form and the standard form of this account -

In re Ry and other Commercial concerns it is usual to show the working expenses as deducted entirely under Gross receipts and only the net receipts on the ~~incoming~~ Revenue side. Otherwise there is inflation on both sides - Moreover, the Ry is worked by Govt and it is desirable that the standard form adopted in the State Budget also be followed by the Dt Board.

There is some confusion as regards the treatment of the Ry Con transactions, which requires to be cleared -

So long as the Ry is under construction, and the proceeds of the Ry Con collections are utilised for capital expenditure - this ~~is~~ has been the arrangement in the Case of the N.C Ry - The Ry Con should be

NOTE— Contn, Sheet

WD 01229—GPB—37,500—1-9-26

Serial No.

Shown on the receipt side of the Capital acct. the N. C. Ry. is now opened for traffic and the net receipts are insufficient to meet the interest & sinking fund charges of the loan. The Ry cess collections have to be utilised to meet the deficit in the Revenue account. And then receipts should hereafter be shown in the Revenue account in future.

With this explanation I would assure the meeting of the Bd. Board President as under:-

(1) The Ry Railway has opened for traffic the Ry cess collections shd in future be shown on the receipt side of the Revenue account as indicated in para 2 of the Govt of 10th Oct 1926. The Ry cess need not go in to the Capital account, so long as the proceeds from the cess are required to meet the deficit in the Revenue account.

(2). The Sinking fund Contribution is an item of expenditure in the Revenue account, and as there is no actual outgoing there must be a corresponding

Note. Contn. Sheet

Serial No.

Credit to the Public Debt head - Loans Sinking Fund - The item need not be shown in the capital account either on the receipt or expenditure side, as it would unnecessarily burden the capital account.

(3). It is desirable to follow the arrangement in Appendix I to the Govt of 18th Sept 1926, but this is not obligatory to adopt the form of arrangement given in para 2. (Circle E.E/7 the Govt Govt if the Dt Board should prefer it.

The following form of Revenue account would meet requirements.

E.E. Receipts —

1. Gross Earnings.
   Direct Working expenses.
   Net Earnings —
   Board's share —
2. Rates.
3. Other items if any.

E.E. Expenditure - 1 Interest on loans.
2 Sinking fund contributions.
3. Direct other Establishment charges.
4. Other items if any.

4
10.6.29.

NOTE—Contn. Sheet

Serial No.

The Mysore Bank will be ~~represented~~ applied in accordance with the opinion of this Govt

7298
13/1

First Member)

12/1

Submit draft thro Fin Secy

15/1

Recd 17/1/27

15/1

A draft letter is put up

Recd 3.2.27. 2.30. Dm.

Fd 2388-26

4.2.27

First Member)

2/2

The draft seems to be all right

4/2/27

First Member)

7/2

FINANCIAL SECRETARY
No. 3249

9/2/27

8407
8/2

9.2

5/2

2 To The President,
Dt. Bd. Mysore.
No. L. 5617 dt 11.2.27
With reference to (1) informs him the Financial Secretary's opinion (1 to 3)
Copy to the Comptroller to Govt.
L 5618 dt 11.2.27

A.G.'s REVENUE OFFICE
4

NOTE—Cont'd on Sheet

LB 95-26 71

From

The President,
District Board of Mysore,
Mysore

RECEIVED IN THE SECRETARIAT
2 NOV 1926
LOCAL SELF GOVT. BRANCH

5/11/26

To

The Secretary to the Government of
H. H. the Maharaja of Mysore,
Local and Legislative Departments,
Bangalore.

Dated 26th October 1926.

Despatched 27th Oct. 1926

Received

General No. C 778 LB/26-27

Enclosure No.. nil

Subject.

Requesting for certain instructions in the matter of showing details of Education and Railway Receipts in the District Board Annual Budgets

——— do ———

Mr D Rly

26/10

Mr Rly

9

(1)Whether Railway Cess Collections can in future go into the Capital Account while charges on account of the payment of interest and Sinking Fund contribution which are to be met out of it are not shown in the same account.

(2)Whether the item "Sinking Fund" should be shown under 'Capital account or 'Revenue Account' or whether it comes under '2.Investment' in the capital accounts—Expenditure side.

(3)Whether the appendix I in question should be followed in the preparation of the District Board Budget or the new 'E.E. Group' cited above adopted.

I have the honour to be,

Sir,

Your most obedient servant,

President,

District Board of Mysore.

BSS.

No 2567/ Fin 95-26-2

29/11 Feb 27

The President,

District Board, Mysore.

Sir,

With reference to your letter No.C.778 dated 27th October 1926 - requesting instructions in the matter of ~~issuing instructions for~~ showing - details of (Education and Railway Cesses) in the District Board Annual Budgets, I am directed to state as follows :-

Railway hair archus

(1) The Nanjangud-Chamarajanagar Railway having been opened for traffic, the Railway cess collections should in future be shown on the receipt side of the - Revenue account as indicated in para 2 of the G.O. ~~of 10th October 1926~~ No 2536-7/Fin 25-X-43 dt 5th Oct 1926. The Railway Cess need not go into the Capital account, so long as the proceeds from the cess are required to meet the deficit in the Revenue account.

(2) The Sinking Fund contribution is an item of expenditure in the Revenue account, and as there is no actual outgoing, there must be a corresponding - credit to the Public Debt head—Loan Sinking Fund. The item need not be - shown in the Railway Capital account either on the receipt or expenditure side, as it would unnecessarily encumber that - account.

(3) It is desirable to follow the standard arrangement in appendix I to the G.O. of 18th September 1926, but there is no objection to adopt the form given in para 2

(Group E.E.) of the G.O.of 10th October if the District Board should prefer it.

The following form of Revenue - account would meet present requirements.

E.E.Receipts :-

1. Gross Earnings-

   Deduct working expenses.
   Net Earnings.
   Board's share.

2. Railway Cess.

3. Other items if any.

E.E.Expenditure.

1. Interest on loan
2. Sinking Fund contribution
3. District Office establishment charges.
4. Other items, if any.

I have etc.,

Secretary to Government,
L.& L.Deptts.

No L 5618

Copy to the Comptroller for perusal & information.

By order

Asst Secy